

August 31, 1999

SAN BERNARDINO COUNTY, CALIFORNIA

RESOLUTION NO.

RESOLUTION AUTHORIZING THE PREPARATION AND EXECUTION BY THE COUNTY OF A FIXED TO FLOATING INTEREST RATE SWAP AGREEMENT WITH SALOMON BROTHERS HOLDING COMPANY INC, OR A SUBSIDIARY OR AFFILIATE THEREOF AND A SWAP INSURANCE POLICY WITH AN INSURER ACCEPTABLE TO SALOMON BROTHERS HOLDING COMPANY INC, OR A SUBSIDIARY OR AFFILIATE THEREOF, RELATING TO THE COUNTY'S CERTIFICATES OF PARTICIPATION (1992 JUSTICE CENTER/AIRPORT IMPROVEMENTS REFUNDING PROJECT) AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERE TO

On Tuesday, August 31, 1999, on motion by Supervisor _____ duly seconded by Supervisor _____ and carried, the following resolution is adopted:

RESOLVED, by the Board of Supervisors (the "Board") of San Bernardino County, California (the "County"), as follows:

WHEREAS, the County, working together with the Inland Empire Public Facilities Corporation, has heretofore caused \$89,905,000 Certificates of Participation (1992 Justice Center/Airport Improvements Refunding Project) (the "1992 Certificates") to be executed and delivered, the proceeds of which were used to refund certain certificates of participation delivered in 1986 to finance the acquisition, construction, improvement, installation and equipping of various facilities for the County;

WHEREAS, the County's payment obligation thereunder is based upon fixed interest rates established at the time of delivery of the 1992 Certificates;

WHEREAS, County staff has developed a program pursuant to which the County may initially reduce debt service paid with respect to the 1992 Certificates (although the program may or may not result in overall lower debt service over time) and better manage the relationship between reinvestment rates and debt service, by means of the execution of a fixed-to-floating interest rate swap, as described below, and it is in the public interest and for the public benefit that the County authorize and direct the preparation and execution of certain documents in connection therewith.

NOW , T H E R E F O R E , i t i s h e r e b y O R D E R E D a n d D E T E R M I N E D , a s f o l l o w s :

Section 1. The County hereby authorizes the preparation and execution of legal documents required to enter into a fixed-to-floating interest rate swap (the "Swap"), with Salomon Brothers Holding Company Inc, or a subsidiary or affiliate thereof (the "Provider"), including a swap insurance policy for the benefit of the Provider, in form and substance, and from an insurer, acceptable to the Provider; *provided, however, that the Swap documentation, to be supplied by the Provider, shall be in a form acceptable to the Chairman, the County Administrative Officer or any Deputy County Administrative Officer, and the County's bond counsel.*

The Board acknowledges that execution of the Swap will, until canceled (by the Provider) or terminated (pursuant to its terms), effectively convert the payments made with respect to the 1992 Certificates to a floating rate plus a spread. The Provider will pay a fixed rate to the County and the County will pay a variable rate to the Provider, provided that (1) the floating rate will be subject to a cap, and (2) the Provider will have an option to cancel the Swap earlier than the scheduled termination date.

Section 2. The Board hereby determines that the proposed Swap is designed to reduce the amount or duration of payment, currency, rate, spread, or similar risk or result in a lower cost of borrowing when used in combination with the 1992 Certificates in connection with, or incidental to, the Swap. This determination is made in accordance with the requirements of section 5922 of the California Government Code.

Section 3. The Chairman, the County Administrative Officer, any Deputy County Administrative Officer, the Clerk of the Board and all other appropriate officials of the County are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution and the financing herein authorized.

Section 4. This Resolution shall take effect upon its adoption by this Board.

* * * * *

PASSED AND ADOPTED by the Board of Supervisors of San Bernardino County, State of California, by the following vote:

AYES:

NO ES:

ABSENT:

STATE OF CALIFORNIA)

SAN BERNARDINO COUNTY) SS:

I, EARLENE SPROAT, Clerk of the Board of Supervisors of San Bernardino County, California, State of California, hereby certify that the foregoing to be a full, true and correct copy of the record of the action taken by said Board of Supervisors, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of August 31, 1999.

EARLENE SPROAT, Clerk of the Board

By _____ Deputy